

Closed Session—May 4, 2009

At 3:02 p.m., the Randolph County Board of Commissioners and the Asheboro City Council adjourned to closed session to discuss matters relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Lanier and Holmes were present. Commissioner Kemp was absent. Also present were County Manager Richard Wells; Will Massie, Finance Officer; Daren Allen, County Attorney; Aimee Scotton, Associate County Attorney; Cheryl Ivey, Clerk to the Board; and Amanda Varner, Deputy Clerk to the Board; Asheboro City Council members Talmadge Baker, Eddie Burks, Linda Carter, Dr. Stuart Fountain, Walker Moffitt, Archie "Mack" Priest, Mayor David Jarrell and Mayor Pro Tem - David Smith were present, as well as John Ogburn, City Manager; Jeff Sugg, City Attorney, Debbie Juberg, Finance Officer and Holly Doerr, City Clerk. Randolph County EDC was represented by Bonnie Renfro and Harry Lane.

Bonnie Renfro, EDC President, said that Malt-O-Meal wishes to expand its manufacturing capacity in Asheboro to manufacture and ship other cold cereals. They are requesting support from the city, county and state and would like to evaluate incentives that would be available if they made the decision to expand in Asheboro. The company is also considering their Tremonton, Utah facility for the expansion. Ms. Renfro presented the following information:

- Approximate decision time to expand – 4th quarter of '09
- Construction 2009-2011, with plant start up later in 2011
- Estimated Capital Costs- \$120 million, of which approximately 25-30% would be building.
- Employment projections – currently have 125 jobs and plan to add 35-40 more based on the current size of the plant. If the \$120 million expansion occurs, they project an additional 100 jobs for a total of 260-265.

Ms. Renfro stated that two of the six incentive payments have been made thus far of the 2006 incentive package. She said that the company is ahead of schedule on its incentive commitment at this point. Ms. Renfro presented the following incentive proposal options:

	Total Cap. Investment	Real Property	Personal Property	Jobs	Hourly avg. wage	Weekly avg. wage
2009-2011	\$120 Million	\$30 Million	\$90 Million	100	\$15-15.35	\$660-675

5 years estimated revenues: City of Asheboro-\$2.1 Million; Randolph County-\$2.1 Million

Proposed Incentives	50%	66%	75%
City of Asheboro	\$1,000,000	\$1,400,000	\$1,600,000
Randolph County	\$1,000,000	\$1,400,000	\$1,600,000

Ms. Renfro stated she was looking for guidance from the Boards on what to offer Malt-O-Meal, as she meets with the company on Thursday.

Ms. Renfro stated that if the incentives start in 2010-2011, there would be some overlap of the 2006 incentive package. The Boards questioned whether the State would offer any incentives; Ms. Renfro was unsure at this time.

The consensus of both Boards was to offer a 50% package initially, not to exceed 66%.

At 3:40 p.m., on motion of Frye, seconded by Haywood, the Commissioners voted unanimously to end closed session and return to regular session.

The City also returned to regular session.

At 3:42 p.m., on motion of Frye, seconded by Haywood, the Board voted unanimously to adjourn.

J. Harold Holmes, Chairman

Darrell L. Frye

Stan Haywood

Arnold Lanier

Cheryl A. Ivey, Clerk to the Board